

## INFORMATION PAPER

SUBJECT: Finance Entitlements for Advance Travel of Dependents (ATD) and PCS Orders

1. PURPOSE. To provide guidance on finance entitlements when dependents move in advance of the Soldier and in conjunction with PCS orders.

2. BOTTOM LINE. If a Soldier's family members clear quarters and execute an ATD using PCS orders, Basic Allowance for Housing (BAH) will begin and the Soldier's Cost of Living Allowance (COLA) will decrease.

3. DISCUSSION.

a. Definitions.

1) Basic Allowance for Housing (BAH). BAH is a monthly allowance for housing intended to only pay a portion of housing costs. This allowance ends when Soldiers/family members sign for government family quarters. For ATD purposes, there are two main categories of BAH (BAH I and BAH II). BAH I or full BAH is the housing allowance a Soldier receives to cover costs associated with owning/renting a house and is based on the duty location's zip code. BAH II is a housing allowance for Soldiers not entitled to full BAH and is a standard rate based on a Soldier's rank.

2) Cost of Living Allowance (COLA) – a location specific allowance intended to help offset the cost of living in that area.

3) Overseas Housing Allowance (OHA) – a location specific housing allowance tied to the local currency and cost of living. It is intended to help cover the majority of housing costs.

b. Entitlements.

1) BAH – When a Soldier's family clears quarters and departs the current duty station under PCS orders, the Soldier's housing allowance changes to BAH II. BAH II will continue until the Soldier arrives at the new duty station. At that time, the Soldier's housing allowance changes to BAH I, unless the Soldier signs for government family quarters.

2) COLA – When a Soldier's family members depart the current duty station under PCS orders, the Soldier's COLA rate drops to the without dependents rate. Once the Soldier leaves the current duty station on PCS orders, COLA will no longer be authorized and will be terminated.

3) OHA – If a Soldier with family members resides off-post and is authorized OHA, the OHA ends when the quarters are cleared. The Soldier's housing allowance will then revert to BAH II and will remain so until the Soldier arrives at the new duty station.

4. COORDINATION. 266<sup>th</sup> Finance Battalion and 1<sup>st</sup> Personnel Command Personnel Services Support Directorate.

Approved: Mr. Stephen Bridges, Director Finance & Accounting Policy Date: 30 April 2004